

*File*

**THIRD CANADIAN GENERAL INVESTMENT  
TRUST LIMITED**

---

**1970**

---

*Annual Report*

D E C E M B E R 3 1 , 1 9 7 0



**THIRD CANADIAN GENERAL INVESTMENT TRUST  
LIMITED**

*Board of Directors*\_\_\_\_\_

ALEX. E. BARRON

T. R. MEIGHEN, Q.C.

D. L. CAMPBELL

E. LOUISE MORGAN

A. BRUCE MATTHEWS, C.B.E., D.S.O.

JOHN C. RYKERT

M. C. G. MEIGHEN, O.B.E.

DONALD J. A. WRIGHT

*Officers*\_\_\_\_\_

M. C. G. MEIGHEN, O.B.E. - - - - - *Chairman of the Board*

ALEX. E. BARRON - - - - - *President*

JOHN C. RYKERT - - - - - *Treasurer*

E. LOUISE MORGAN - - - - - *Secretary*

*Auditors*\_\_\_\_\_

PRICE WATERHOUSE & CO. - - - - - Toronto

*Registrar and Transfer Agent*\_\_\_\_\_

THE CANADA TRUST COMPANY - - - - - Toronto and Montreal

*Office of Company*\_\_\_\_\_

110 YONGE STREET, SUITE 1702 (Telephone 366-2932) - - - - - Toronto

# **THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED**

## **TO THE SHAREHOLDERS:**

Your Directors have pleasure in submitting the Annual Report of your Company for the year ended December 31, 1970, consisting of the Balance Sheet, and Statements of Income, Retained Earnings, and Changes in Net Assets, all as reported upon by your Company's Auditors.

The Balance Sheet discloses that the total assets of the Company, as at December 31, 1970, amounted to \$28,227,095. From this amount should be deducted the total liabilities of the Company, namely, \$36,139, which leaves a net value of \$28,190,956. After deducting the First Preferred Shares Series A at the call price of \$52.50, namely, \$3,035,655, each of the 1,837,190 Common Shares outstanding as at December 31, 1970 had an apparent equity value of approximately \$13.69.

The Statement of Income discloses that your Company, after paying all expenses, had net income for the year of \$1,014,022. After providing \$144,586 for dividends on the First Preferred Shares the balance of net income, namely, \$869,436 was equivalent to 47.3 cents for each of the outstanding Common Shares.

During 1970 cash dividends totalling \$144,586 were paid or declared on the First Preferred Shares Series "A". The common shareholders received stock dividends of 45 cents per share in the form of Second Preferred Shares, which were immediately redeemed, totalling \$826,736.

---



The Directors have declared on the First Preferred Shares, the regular quarterly dividend of sixty-two and one-half cents per Share, payable April 15, 1971 to shareholders of record March 31, 1971, and on the common shares, a stock dividend consisting of four redeemable Second Preferred Shares of the par value of 5 cents each on each of the common shares outstanding, payable March 30, 1971 to shareholders of record March 15, 1971. The preferred shares to be issued as a stock dividend will be redeemed on March 31, 1971.

The portfolio of investments as at December 31, 1970, is to be found at the back of this report.

Submitted on behalf of the Board.

*M. C. G. McInnes*

*Chairman of the Board*

*Alex E. Burns*

*President*

TORONTO, January 25, 1971.

---

# T H I R D      C A N A D I A N      G E N E R A L

## *Balance Sheet*

### *Assets*

	December 31	
	1970	1969
Investments at indicated market value (Note 1):		
Securities having a quoted market value - - - - -	\$27,485,125	\$30,146,291
Securities not having a quoted market value - - - - -	497,972	593,825
(Cost as at—	27,983,097	30,740,116
December 31, 1970—\$13,372,835		
December 31, 1969—\$13,283,609)		
Short term securities, at cost plus accrued interest - - - - -	—	51,530
Income taxes recoverable - - - - -	1,565	—
Cash in bank - - - - -	242,433	242,601
	<u>\$28,227,095</u>	<u>\$31,034,247</u>

### *Liabilities and Shareholders' Equity*

Dividend payable - - - - -	\$ 36,139	\$ 36,283
Income and other taxes payable - - - - -	—	1,548
Shareholders' equity:	36,139	37,831
Capital stock (Note 2)—		
Authorized—		
118,477 first preferred shares of the par value of \$50 each, issuable in series		
69,163,640 3% non-cumulative second preferred shares of the par value of 5¢ each redeemable at the amount paid up thereon		
2,000,000 common shares of no par value		
Issued and outstanding—		
57,822 \$2.50 cumulative first preferred shares Series A redeemable at \$52.50 per share - - - - -	2,891,100	2,902,600
1,837,190 common shares - - - - -	9,185,950	9,185,950
	12,077,050	12,088,550
Contributed surplus, realized on purchase for cancellation of first preferred shares (including \$4,140 arising during the year ended December 31, 1970) - - -	18,222	14,082
Unrealized gain on investments - - - - -	14,610,262	17,456,507
Retained earnings, including \$32,750 appropriated under Section 61 of the Canada Corporations Act - - - - -	1,485,422	1,437,277
	28,190,956	30,996,416
	<u>\$28,227,095</u>	<u>\$31,034,247</u>

APPROVED ON BEHALF OF THE BOARD:

A. BRUCE MATTHEWS, *Director*  
M. C. G. MEIGHEN, *Director*

#### *Auditors' Report to the Shareholders of*

Third Canadian General Investment Trust Limited:

We have examined the balance sheet of Third Canadian General Investment Trust Limited as at December 31, 1970 and the statements of income, retained earnings and changes in net assets for the year then ended. Our examination included an inspection of share certificates and other evidence of the investments held by the Company as at December 31, 1970 and a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at December 31, 1970 and the results of its operations and the changes in its net assets for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, January 14, 1971

PRICE WATERHOUSE & CO.  
Chartered Accountants



# INVESTMENT TRUST LIMITED

## *Statement of Income*

	Year ended December 31	
	1970	1969
Income:		
Dividends received - - - - -	\$1,090,321	\$1,093,018
Interest earned - - - - -	14,345	20,015
	<u>1,104,666</u>	<u>1,113,033</u>
Expense:		
Management fee - - - - -	77,490	79,085
Directors' fees - - - - -	1,450	1,300
Miscellaneous - - - - -	10,794	8,841
	<u>89,734</u>	<u>89,226</u>
Income before income taxes - - - - -	1,014,932	1,023,807
Provision for income taxes - - - - -	910	2,300
Net income for the year - - - - -	<u>\$1,014,022</u>	<u>\$1,021,507</u>
Net income for the year per common share (after deducting preferred dividends)	<u>\$ .47</u>	<u>\$ .48</u>

## *Statement of Retained Earnings*

	Year ended December 31	
	1970	1969
Balance at beginning of year - - - - -	\$1,437,277	\$1,354,655
Net income for the year - - - - -	1,014,022	1,021,507
Gain on investments sold or redeemed - - - - -	19,149	46,908
	<u>2,470,448</u>	<u>2,423,070</u>
Dividends paid or declared:		
On first preferred shares Series A - - - - -	144,586	145,380
On common shares in second preferred shares subsequently redeemed - - - -	826,736	826,736
Tax paid under Section 105(2) of the Income Tax Act - - - - -	13,704	13,677
	<u>985,026</u>	<u>985,793</u>
Balance at end of year - - - - -	<u>\$1,485,422</u>	<u>\$1,437,277</u>
Dividends paid per share:		
Preferred - - - - -	<u>\$2.50</u>	<u>\$2.50</u>
Common - - - - -	<u>\$ .45</u>	<u>\$ .45</u>

# THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

## *Statement of Changes in Net Assets*

	Year ended December 31	
	1970	1969
Net assets at beginning of year - - - - -	\$30,996,416	\$31,634,038
Add:		
Net income for the year - - - - -	1,014,022	1,021,507
Gain on investments sold or redeemed - - - - -	19,149	46,908
Profit on purchase for cancellation of first preferred shares - - - - -	4,140	6,293
	32,033,727	32,708,746
Less:		
Dividends paid or declared—		
On first preferred shares Series A - - - - -	144,586	145,380
On common shares in second preferred shares (since redeemed) - - - - -	826,736	826,736
Tax paid under Section 105(2) of the Income Tax Act - - - - -	13,704	13,677
First preferred shares Series A purchased for cancellation - - - - -	11,500	21,250
Decrease in unrealized gain on investments - - - - -	2,846,245	705,287
	3,842,771	1,712,330
Net assets at end of year - - - - -	<u>\$28,190,956</u>	<u>\$30,996,416</u>
Gain on investments sold or redeemed:		
Cost of investments at beginning of year - - - - -	\$13,283,609	\$13,125,659
Add: Purchase of investments during year - - - - -	133,088	382,332
	13,416,697	13,507,991
Less: Cost of investments at end of year - - - - -	13,372,835	13,283,609
Cost of investments sold or redeemed during year - - - - -	43,862	224,382
Proceeds from sale or redemption of investments during year - - - - -	63,011	271,290
Gain on investments sold or redeemed - - - - -	<u>\$ 19,149</u>	<u>\$ 46,908</u>
Apparent liquidating value per common share (after deducting outstanding preferred shares at call price):		
At beginning of year - - - - -	<u>\$15.21</u>	<u>\$15.55</u>
At end of year - - - - -	<u>\$13.69</u>	<u>\$15.21</u>



**THIRD CANADIAN GENERAL INVESTMENT TRUST  
LIMITED**

*Notes to the Financial Statements*

DECEMBER 31, 1970

1. The indicated market values of quoted securities are the result of pricing the company's holdings at the closing quoted market prices as at December 31. Such amounts do not necessarily represent the value of the total holding in any company which may be more or less than that indicated by market quotations. Securities not having a quoted market value have been included at values determined by the directors based principally on the underlying value of the assets represented by these securities.
  2. During the year ended December 31, 1970 230 \$2.50 cumulative first preferred shares Series A were purchased for cancellation and 16,534,710 3% non-cumulative second preferred shares were issued, subsequently re-deemed and cancelled.
-

# THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED

## *Portfolio of Investments*

DECEMBER 31, 1970

Class	No. of Shares	Class	No. of Shares
Alcan Aluminium Ltd. - - - -	Common 5,000	Imperial Oil Ltd. - - - - -	Common 16,000
Algoma Steel Corp. Ltd. - - -	Common 20,000	Industrial Acceptance Corporation Ltd. - - - -	Common 8,000
Argus Corporation Ltd. - - - -	"C" Prefd. 120,000	International Nickel Co. of Canada Ltd. - - - - -	Common 7,500
Bank of Montreal - - - - -	Common 3,000	Interprovincial Pipe Line Co. - -	Common 20,000
Bank of Nova Scotia - - - -	Common 3,000	MacMillan Bloedel Limited - -	Common 5,000
C.G.I. and Third Venture Capital Limited - - - - -	Common 10,000	Moore Corporation Ltd. - - -	Common 40,000
C.G.I. and Third Venture Capital Limited - - - - -	Prefd. 200	The Ravelston Corp. Limited - -	Common 5,270
Canada Packers Ltd. - - - - -	Common 35,000	The Ravelston Corp. Limited - -	Prefd. 50,029
Canadian General Investments Ltd. - - - - -	Common 312,116	Royal Bank of Canada - - - -	Common 5,000
Canadian Industries Ltd. - - -	Common 3,000	Simpsons Ltd. - - - - -	Common 16,000
Canadian Tire Corp. Ltd. - - -	"A" Prefd. 5,000	Southam Press Ltd. - - - - -	Common 1,000
Cominco Limited - - - - -	Common 10,000	Steel Co. of Canada Ltd. - - -	Common 12,000
Distillers Corporation Seagrams Ltd. - - - - -	Common 20,000	Stuart, D. A., Oil Co. Ltd. - - -	Common 4,000
Dominion Foundries & Steel Ltd.	Common 38,000	TransCanada PipeLines Ltd. - -	Common 1,000
Dominion Textile Co. Ltd. - -	Common 3,000	Union Carbide Ltd. - - - - -	Common 1,000
Huron & Erie Mortgage Corporation - - - - -	Common 68,000	Hiram Walker-Gooderham & Worts Ltd. - - - - -	Common 12,000





